

“(B) \$10,000 (\$20,000 in the case of a joint return).”.

(9) by striking “DOLLAR LIMITATION ON AMOUNT OF CREDIT” in the heading of paragraph (1) of subsection (h) and inserting “AMERICAN OPPORTUNITY CREDIT”.

(10) by striking “2001” in subsection (h)(1)(A) and inserting “2011”.

(11) by striking “the \$1,000 amounts under subsection (b)(1)” in subsection (h)(1)(A) and inserting “the dollar amounts under subsections (b)(1) and (d)(1)”.

(12) by striking “calendar year 2000” in subsection (h)(1)(A)(ii) and inserting “calendar year 2010”.

(13) by striking “If any amount” and all that follows in subparagraph (B) of subsection (h)(1) and inserting “If any amount under subsection (b)(1) as adjusted under subparagraph (A) is not a multiple of \$100, such amount shall be rounded to the next lowest multiple of \$100. If any amount under subsection (d)(1) as adjusted under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the next lowest multiple of \$1,000.”.

(14) by inserting “OF LIFETIME LEARNING CREDIT” after “INCOME LIMITS” in the heading of paragraph (2) of subsection (h).

(15) by adding at the end of subsection (b) the following new paragraphs:

“(4) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under this subpart (other than this subsection and sections 25D, 30, 30B, and 30D) and section 27 for the taxable year.

Any reference in this section or section 24, 25, 25B, 26, 904, or 1400C to a credit allowable under this subsection shall be treated as a reference to so much of the credit allowable under subsection (a) as is attributable to the American Opportunity Credit.

“(5) PORTION OF CREDIT MADE REFUNDABLE.—40 percent of so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit (determined after the application of subsection (d)(1) and without regard to this paragraph and section 26(a)(2) or paragraph (4), as the case may be) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)). The preceding sentence shall not apply to any taxpayer for any taxable year if such taxpayer is a child to whom subsection (g) of section 1 applies for such taxable year.”.

(16) by striking subsection (i) and redesignating subsection (j) as subsection (i).

(b) HOPE SCHOLARSHIP CREDIT RENAMED AMERICAN OPPORTUNITY CREDIT.—

(1) IN GENERAL.—Section 25A, as amended by subsection (a), is amended by striking “Hope Scholarship” each place it appears in the text and in the headings and inserting “American Opportunity”.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 25A is amended by striking “HOPE” and inserting “AMERICAN OPPORTUNITY”.

(B) The heading for clause (v) of section 529(c)(3)(B) is amended by striking “HOPE” and inserting “AMERICAN OPPORTUNITY”.

(C) The heading for subparagraph (C) of section 530(d)(2) is amended by striking “HOPE” and inserting “AMERICAN OPPORTUNITY”.

(D) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by

striking “Hope” and inserting “American Opportunity”.

(c) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) is amended by striking “25A(i)” and inserting “25A(b)”.

(2) Section 25(e)(1)(C)(ii) is amended by striking “25A(i)” and inserting “25A(b)”.

(3) Section 26(a)(1) is amended by striking “25A(i)” and inserting “25A(b)”.

(4) Section 25B(g)(2) is amended by striking “25A(i)” and inserting “25A(b)”.

(5) Section 904(i) is amended by striking “25A(i)” and inserting “25A(b)”.

(6) Section 1400C(d)(2) is amended by striking “25A(i)” and inserting “25A(b)”.

(7) Section 6211(b)(4)(A) is amended by striking “25A by reason of subsection (i)(6) thereof” and inserting “25A by reason of subsection (b)(5) thereof”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(e) TREATMENT OF POSSESSIONS.—Section 1004(c)(1) of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking “in 2009 and 2010” each place it appears and inserting “after 2008”.

#### SEC. 208. REPEAL OF SUNSET ON ALLOWANCE OF COMPUTER TECHNOLOGY AND EQUIPMENT AS A QUALIFIED HIGHER EDUCATION EXPENSE FOR SECTION 529 ACCOUNTS.

(a) IN GENERAL.—Clause (iii) of section 529(e)(3)(A) is amended by striking “in 2009 or 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid or incurred after December 31, 2010.

#### TITLE III—PERMANENT ESTATE TAX RELIEF

##### SEC. 301. REPEAL OF EGTTRA SUNSET.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act.

##### SEC. 302. REINSTATEMENT OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Each provision of law amended by subtitle A or E of title V of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended to read as such provision would read if such subtitle had never been enacted.

(b) CONFORMING AMENDMENT.—On and after the date of the introduction of this Act, paragraph (1) of section 2505(a) of the Internal Revenue Code of 1986 is amended to read as if such paragraph would read if section 521(b)(2) of the Economic Growth and Tax Relief Reconciliation Act of 2001 had never been enacted.

(c) SPECIAL ELECTION WITH RESPECT TO ESTATES OF DECEDENTS DYING BEFORE DATE OF ENACTMENT.—Notwithstanding subsection (a), in the case of an estate of a decedent dying after December 31, 2009, and before the date of the enactment of this Act, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1986) may elect to apply such Code as though the amendments made by this section do not apply with respect to such estate and with respect to property acquired or passing from such decedent (within the meaning of section 1014(b) of such Code). Such election shall be made at such time and in such manner as the Secretary of the Treasury or the Secretary's delegate shall provide. Such an election once made shall be revocable only with the consent of the Secretary of the Treasury or the Secretary's delegate.

(d) EXTENSION OF TIME FOR PERFORMING CERTAIN ACTS.—

(1) ESTATE TAX.—In the case of the estate of a decedent dying after December 31, 2009, and before the date of the enactment of this Act, the due date for—

(A) filing any return under section 6018 of the Internal Revenue Code of 1986 (including

any election required to be made on such a return) as such section is in effect after the date of the enactment of this Act without regard to any election under subsection (c),

(B) making any payment of tax under chapter 11 of such Code, and

(C) receiving any disclaimer described in section 2518(b) of such Code,

shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(2) GENERATION-SKIPPING TAX.—In the case of any generation-skipping tax made after December 31, 2009, and before the date of the enactment of this Act, the due date for filing any return under section 2662 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to estates of decedents dying, and transfers, after December 31, 2009.

#### SEC. 303. MODIFICATIONS TO ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.

(a) MODIFICATIONS TO ESTATE TAX.—

(1) \$3,500,000 APPLICABLE EXCLUSION AMOUNT.—Subsection (c) of section 2010 is amended to read as follows:

“(c) APPLICABLE CREDIT AMOUNT.—

“(1) IN GENERAL.—For purposes of this section, the applicable credit amount is the amount of the tentative tax which would be determined under section 2001(c) if the amount with respect to which such tentative tax is to be computed were equal to the applicable exclusion amount.

“(2) APPLICABLE EXCLUSION AMOUNT.—

“(A) IN GENERAL.—For purposes of this subsection, the applicable exclusion amount is \$3,500,000.

“(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2009’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.”.

(2) MAXIMUM ESTATE TAX RATE EQUAL TO 45 PERCENT.—Subsection (c) of section 2001 is amended—

(A) by striking “but not over \$2,000,000” in the table contained in paragraph (1).

(B) by striking the last 2 items in such table.

(C) by striking “(1) IN GENERAL.—”, and

(D) by striking paragraph (2).

(b) MODIFICATIONS TO GIFT TAX.—

(1) INFLATION ADJUSTMENT FOR APPLICABLE EXCLUSION AMOUNT FOR GIFT TAX.—Section 2505 is amended by adding at the end the following new subsection:

“(d) INFLATION ADJUSTMENT.—In the case of any calendar year after 2010, the dollar amount in subsection (a)(1) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2009’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.”.